Joint Committee on Taxation
August 13, 1986
JCX-21-86

# INCREASE IN THE PUBLIC DEBT LIMIT (H.R. 5395)

## Present Law

The permanent limit on the amount of public debt that may be issued is $2,078.7 billion. This limit was approved on December 12, 1985 (P.L. 99-177).

## Current Legislative Situation

The House passed H.J. Res. 668, which increases the permanent public debt limit to $2,322.8 billion, on June 26, 1986, after both the House and the Senate approved S. Con. Res. 120, the budget resolution for fiscal years 1987, 1988 and 1989. S. Con. Res. 120 specified $2,322.8 billion as the level of the debt limit that would meet federal financial requirements through fiscal year 1987.

The Finance Committee reported H.J. Res. 668 to the Senate on July 18, 1986, with an amendment that relates to investment and disinvestment of the Social Security Trust Fund. The Senate passed H.J. Res. 668, as further amended on the Senate floor, on August 9, 1986; the amendments include revisions in the Gramm-Rudman-Hollings Act procedures. Then, the Senate requested a conference with the House on H.J. Res. 668.

## Current Situation of Debt Limit

At the close of business on Friday, August 8, 1986, Treasury's operating cash balance was $11.2 billion. Public debt outstanding subject to the limit was $2,073.3 billion, an amount only $5.4 billion below the statutory limit. Treasury estimates that this debt limit will be exhausted around August 15, 1986.

## H.R. 5395 -- Ways and Means Committee Action

H.R. 5395 (as approved by the Ways and Means Committee today) increases the public debt limit by $73.3 billion, which raises the statutory debt limit to $2,152 billion.

The debt limit increase provided in H.R. 5395 is estimated to meet Treasury's financing requirements at least through September 25, 1986.

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